



2007 Annual Environmental Performance Report Form

Johnson & Johnson

Name of corporation

One Johnson & Johnson Plaza

Street address (U.S. corporate headquarters)

Street address (continued)

New Brunswick, NJ 08933

City/State/Zip code

Please give us information about your contact person for the Performance Track Corporate Leader designation.

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Annual Report #: 3rd

Membership Term: 1

Reporting Year: 2007

Section A

Your environmental performance goals.

Please summarize your company's progress toward its environmental performance goals, relative to the baseline year.

Part 1

First goal

1	Category:	Water use
	Indicator:	Water used
	Baseline quantity (2003):	3,276 million gallons
	2004 quantity:	2,906 million gallons
	2005 quantity:	2,959 million gallons
	2006 quantity:	3,065 million gallons
	2007 quantity:	3,117 million gallons [Goal achieved/on target]
	Goal (2010) quantity:	3,210 million gallons

- 2 Summarize how you achieved improvements for this indicator through 2007 or, if relevant, any circumstances that delayed progress.

Johnson & Johnson set a goal for a 2% absolute reduction in the amount of water used by 2009 with 2003 as the baseline year. At the end of 2007, we achieved that goal with a 5% absolute reduction in water use. We are reporting more water use in 2007 when compared to 2006 or 2005. This is because we acquired a large new business in 2006, Pfizer Consumer Healthcare. The water use from this company, approximately 291 million gallons, was added to our data for the first time in 2007.

Not apparent in the numbers, we have continued to implement water conservation projects... including increased recycling and reuse of used and grey water streams, decreased production volumes, and innovative water conservation practices implemented at Johnson & Johnson facilities. Two of these practices are highlighted below.

At Centocor in Malvern, PA, two of the maintenance employees implemented their idea for channeling the condensate water runoff from the facility air-conditioning units into the cooling towers, thus recycling the condensate and negating the need for water from the municipality to be used for cooling. Over 2.2 million gallons of water was recycled in 2007.

Vistakon's largest environmental impact is its use of water. In 2007, Vistakon developed several different projects to reduce their water footprint. Vistakon in Jacksonville began

using reclaimed water from a local municipal wastewater treatment facility for site irrigation, saving more than 9.4 million gallons of water use. They also upgraded their sterilizers, eliminating once-through cooling, saving 3.7 million gallons of water. Finally, the Formulation department increased the time between sanitization cycles and introduced a fast rinse process, saving 2 million gallons of water use. The total water use reduction for Vistakon Jacksonville in 2007 was more than 15 million gallons.

Second goal

1	Category: Indicator:	Air emissions Total greenhouse gas (GHG) emissions US/Puerto Rico (MTCO2E)
	Baseline quantity (2001):	862,088 metric tons of CO2 equivalent
	2005 quantity:	750,741 metric tons of CO2 equivalent
	2006 quantity:	704,116 metric tons of CO2 equivalent
	2007 quantity:	738,240 metric tons of CO2 equivalent [Goal achieved/on target]
	Goal (2010) quantity:	741,396 metric tons of CO2 equivalent

Note: The original baseline quantity was 706,183 metric tons of CO2 equivalent for 2001, and the original goal quantity was 607,300 for 2010. However, Johnson & Johnson follows the Greenhouse Gas Inventory Protocol developed by the World Business Council for Sustainable Development, which requires recalculation of historical emissions to reflect divestitures, acquisitions and mergers. The figures provided above for the baseline quantity and goal quantity have been recalculated so that they reflect the emissions from the same business entities (including the facilities that were acquired from Pfizer Consumer Healthcare) as the 2007 figures. The former Pfizer facilities contributed approximately 54,240 metric tons of CO2 equivalent emissions to our inventory.

2 Summarize how you achieved improvements for this indicator through 2007 or, if relevant, any circumstances that delayed progress.

Johnson & Johnson set a goal for a 14% absolute reduction in carbon dioxide emissions as compared to 2001. By the end of 2007, we have achieved a 14% reduction. Our challenge is to maintain that reduction as the company grows and the carbon offset markets change in the coming years.

- Carbon dioxide emissions reductions have been and will continue to be achieved by mixing operational controls with the use of environmentally preferable and renewable energy sources, by purchasing hybrid vehicles for our fleet, and by purchasing carbon offsets for our facilities. In 2007, for instance, we offset 276,165 metric tons of indirect carbon emissions through the purchase of Renewable Energy Credits and Green Power. These offset levels were 271,562 MTCO2E in 2006 and 237,779 MTCO2E in 2005.

Part 2

List your facilities that newly joined Performance Track or similar state performance-based programs in 2007.

No additional Johnson & Johnson facilities joined the Performance Track program in 2007.

Section B

Your value chain environmental performance goals.

Please summarize your company's progress toward its value chain environmental performance goals, relative to the baseline year.

First goal

1	Category:	Suppliers
	Indicator:	% of audited External Manufacturers (EMs); % of EMs with business terms/conditions that incorporate EHS compliance language
	Baseline quantity (2003):	25% of EMs audited; 60% of terms/conditions include EHS compliance language
	2005 quantity:	93% of EMs audited; 95% of terms/conditions include EHS compliance language
	2006 quantity:	93% of EMs audited; 97% of terms/conditions include EHS compliance language [Goal essentially achieved; 100% targets all but impossible to achieve as the EMs we do business with keeps changing]
	2007 quantity*:	20% of EMs audited against <i>new</i> Standards 80% of terms/conditions include the language of our <i>new</i> EM Standards (including EHS compliance language)
	New Goal (2010) quantity*:	100% of EMs audited against EM Standards; 100% of EMs with compliance language based on EM Standards/ standard EHS compliance in terms/ conditions.

**Note: New Goal... Please see below for more information.*

- 2 Summarize how you achieved improvements for this indicator through 2007 or, if relevant, any circumstances that delayed progress.

Johnson & Johnson utilizes over 900 external manufacturers (EMs) with a mix that is ever changing. New EMs are being added and others are being removed as we respond to global business needs. In 2007, it became apparent that while we had met the goal for auditing EMs and including EHS compliance language in terms and conditions in our contracts with all of our EMs, the changeability in the EMs we use meant that we were able to maintain that 100% status only until the next EM was added to the list.

Noting that we had successfully completed the goal we had set for ourselves, we looked for another goal that would stretch us further and reflect the goal we had to work with EMs who share our corporate philosophy.

To do that, in May 2006, we launched a new, broader set of standards for our EMs. Called the *Johnson & Johnson Standards for Responsible External Manufacturing (Standards)*, they encompass business conduct, product quality, and labor and unemployment practices in addition to EHS practices. Auditing against these expanded *Standards* began in 2007.

With this shift in the focus of the program, we would like to shift the focus of our value chain goal from EHS compliance to compliance with the new *Standards*. We have new goals to audit 100% of the EMs against the new *Standards* by 2010, and have compliance language for the new *Standards* (as well as standard EHS compliance language) in the terms/conditions of 100% of the EMs.

By the end of 2007, we had audited 20% of our EMs against the new *Standards* and 80% of our contracts/ agreements included the requirements of the new *Standards* in their terms/ conditions.

Second goal

1	Category:	Packaging design/redesign
	Indicator:	Amount of certified packaging or packaging containing 30% post consumer recycled content
	Baseline quantity (2004):	N/A
	2005 quantity (baseline):	76.3 million kg (69%)
	2006 quantity:	68.9 million kg (68%)
	2007 quantity:	141.4 million kg (93%)
	Goal (2010) quantity:	75% of packaging by 12/2010

- 2 Summarize how you achieved improvements for this indicator through 2007 or, if relevant, any circumstances that delayed progress.

The actual amount of packaging varies from year to year as our businesses thrive or wane, so we selected a target that reflects the *percentage* of packaging that is better for the environment. Our operating companies continue to increase the amount of paper and paper packaging that came from certified forests, or was recycled paper containing a minimum of 30% post-consumer recycled content. In 2007, we achieved and exceeded our goals of 75% -- 93% of our paper packaging came from certified forests or met the post-consumer recycled content criteria.

Our success is a result of several focused efforts in 2007: We deployed Forest Product Purchasing Guidelines and tools that help buyers assess paper sources. We raised awareness of this goal in the purchasing community, R&D and product development groups. We trained about certification programs for forest products and the metrics used for measuring recycled content. Finally, we received customer requests for more environmentally preferable packaging, and that has resulted in increased efforts to "green" our paper packaging.

Section C

On behalf of Johnson & Johnson

I certify that:

I have read and agree to the terms and conditions for Membership as a Performance Track Corporate Leader, as specified in the *Performance Track Corporate Leader Guide* and in the *Application Instructions*. The company, to the best of my knowledge, continues to meet the program criteria.

I have personally examined and am familiar with the information contained in this Annual Report. The information contained in this Report is, to the best of my knowledge and based on reasonable inquiry, true, accurate, and complete.

I agree that EPA's decision whether to accept companies into or remove them from the Performance Track Corporate Leader designation is wholly discretionary, and I waive any right to challenge EPA's acceptance or removal decision. I also understand that my company's membership in the program will not be considered to be legally relevant in any enforcement proceedings for violations of environmental requirements.

I am a senior executive of the company to whom the environmental function reports and am fully authorized to execute this statement on behalf of the company applying for the Performance Track Corporate Leader designation.

Signature / Date	_____
Printed Name / Title	<i>Brian K. Boyd, VP WWEHS</i>
Phone Number / E-mail	732-524-3773 / bboyd@corus.jnj.com
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The National Environmental Performance Track is a U.S. Environmental Protection Agency program. Please direct inquiries to Dan Fiorino, 202-566-2869, or e-mail fiorino.dan@epa.gov.

To submit your membership application:

- 1) E-mail the completed form to fiorino.dan@epa.gov,
- and
- 2) Fax the completed and signed participation statement (not the entire form) to 202-566-2985.

If you cannot e-mail the membership application, mail a hard copy of the entire completed form to:

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